

HAVE A PLAN – BE REALISTIC

Consider acceptable vehicle makes and models at the price range that fits your budget. Your bank or credit union can assist you in determining what you can and can not afford. **Set your limit** and plan to **STICK TO IT**.


In your estimate, remember to include a few minor repairs/accessories you may consider after the purchase. Also, do not forget to include the cost of insurance and license.


Seek information on the long-term reliability of the makes and models you have selected. (Consult mechanics, consumer reports, etc.)


Select the dealership(s) you will visit to find your used car. Ask friends and neighbors where they were “treated right” and if they would return to buy another used vehicle.

WHEN YOU ARRIVE AT THE LOT

Look at the “Buyers Guide” sticker on each used car window. It will indicate if that car comes with:

 **WARANTY** - Either a **FULL** or **LIMITED** Warranty applies. Read and **understand** the limitations of the warranty.

 Available **SERVICE CONTRACT** - At **EXTRA COST** to you, a service contract can be purchased with the used car. There are many potential problems with service contracts. Read the Federal Trade Commission pamphlet, “Auto Service Contracts,” for in-depth information.

 **AS IS- NO WARRANTY** - **YOU** will pay **ALL** costs for repairs. With an “AS IS” vehicle you are usually buying someone else’s headache. **Be cautious.**

Look under the hood. Does it appear that there is any oil leakage or obvious inexperienced repairs? Are all the wires and ductwork neat and intact? Is there any sign of a fire or extreme heat? Are there any obvious missing parts?

Look at the exterior of the car. Does all the paint match? Is there any indication that the car has ever been damaged? Is there any rust present?

Test-drive the vehicle. First check the tires for sufficient tread to be safe. Check its operation on several surfaces. Test the brakes in forward and reverse and look for “drift” to either side during normal operation and when braking. Do all the lights and accessories function? Is there any smoke or fumes emitted during operation? Note any unusual noises during the road test.

Drive the vehicle to an authorized mechanic and have him/her inspect it for mechanical operation. Mention anything you noticed during the road test. It may cost for the inspection, but is worth the price in the long run.

Shop around. Follow the above procedure with several vehicles. Be sure the car you select is the car you want and can afford. Negotiate for the best deal.

WHEN YOU HAVE FOUND THE CAR YOU WANT

DO NOT RUSH IT! Avoid high pressure or “you must decide now” techniques. You will often be told that another customer is looking closely at the same car or that “This price is only good today.” Ignore it.

Ask the salesperson some important questions:

1. What repairs have been done while the dealership owned the car?
2. Who was the previous owner? What is their address and phone number?

3. In what state(s) was the car previously registered?
4. Was the car ever seriously damaged in an accident?
5. Was the car ever in a flood?
6. What is the book value of the car? How do you support the asking price?

Do not let the salesperson interest you in something you can not afford.

You will often be led from your choice to the high priced end of the lot. **STICK TO YOUR ORIGINAL PLAN AND PRICE RANGE.**

Come back and look at the vehicle again – **THE NEXT DAY**. Grant yourself a “cooling-off” period to avoid a hasty mistake. This may be the single most important (and difficult) action you will take in the used car purchase. Call the previous owner and ask a few questions about the vehicle. Ask why he/she sold it. Ask if it was ever wrecked or flooded and if all factory recall work was performed. Would the previous owner advise the purchase?

CLOSING THE DEAL

Have the warranty or service contract explained to you. Find out what is covered; for what period of time and mileage; under what circumstances it applies; and where the warrantee/service contract is honored. What is the deductible per repair?

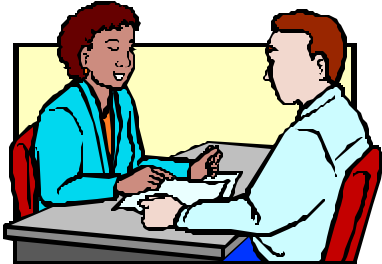
Is there a factory warranty left on the vehicle? Will a dealer’s warranty or service contract negate the factory warranty?

Is the price of the service contract higher than the cost of likely repairs to the car? Most service contracts exclude more than they cover and are sold merely to enhance profits. Can you purchase a service contract for a shorter period of time? Is the price of the contract negotiable?

Some dealers often charge up to \$2,000.00 for these extended warranties. At a few hundred dollars, the peace of mind the warranty provides is a bargain. At a couple thousand, it's probably too expensive. Shop around.

Be sure you understand the following and be sure it is all IN WRITING and signed by the dealer.

1. What are my total payments?
2. What is my interest rate?
3. What is the duration of the loan?
4. (YOU MAY BE ABLE TO BEAT THE DEALERSHIP'S FIGURES AT YOUR OWN BANK OR CREDIT UNION)
5. What is the TOTAL amount owed?
6. Any agreed upon "spoken" promises. (Get it in writing)



Read all documents before you sign them, and insist on copies of all paperwork you have signed. It may take a little time, but could ultimately prove invaluable.

Regardless of how many brochures, articles, web pages or experts are consulted, it is possible that the used car buyer will have a negative experience. The foregoing advice is offered in the hopes it will lessen that possibility and prepare the first time or repeat used car buyer for a successful transaction.

Consumers may also check out other Internet websites such as: <http://www.edmunds.com> or <http://www.carfax.com> for additional information on the vehicle of interest.

Along with this basic guideline it is also suggested that those shopping for a used car obtain copies of two brochures supplied by the U.S. Federal Trade Commission. "Auto Service Contracts" explains the ins and outs of service contracts and their pitfalls. Their publication, "Buying a Used Car," explains warranties and offers advice on payment options, dealer and private sales, and what you can do should problems arise. Both of the above are available from the Montana Department of Commerce (see below) and the FTC Consumer Response Center at 1-877-FTC-HELP (382-4357; TDD: 202-326-2502, by mail; Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC at www.ftc.gov.

To obtain assistance with any other questions you may have regarding your rights as an automotive consumer in Montana or elsewhere call or write to:

**MONTANA DEPARTMENT OF
ADMINISTRATION
CONSUMER PROTECTION
1219 8TH AVENUE
PO BOX 200501
HELENA MT 59620-0501**

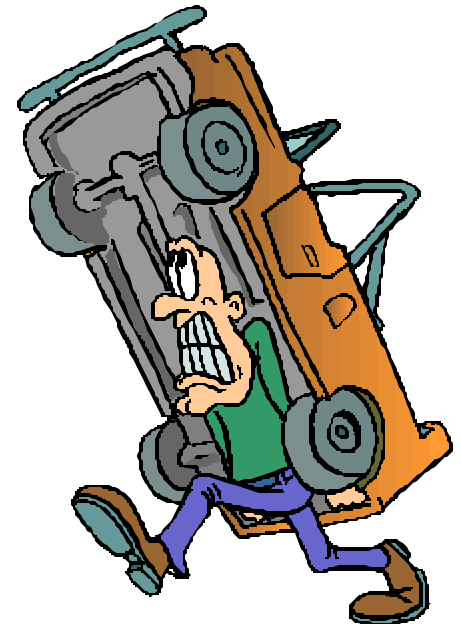
**PHONE (406) 444-1588
FAX (406) 444-9680**

EMAIL: dbrinka@state.mt.us

OR VISIT OUR WEBSITE: www.state.mt.us

MONTANA DEPARTMENT OF ADMINISTRATION

USED CAR BUYER'S GUIDE



Whether this is your first used car purchase or just the latest of many, here are a few steps to follow to minimize your chances of owning someone else's headache.